

Finance - Economics

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Unless steel trade statistics have lost barometric value—and in the past they have rightly been regarded as the best available indicators of the drift of business—it is evident that the readjustment of industry to war conditions has gone very much further than is generally realized. Apparently the balance between supply and demand has been nearly restored in the basic trade. Unfilled orders of the United States Steel Corporation at the beginning of this month aggregated 9,288,453 tons, a decrease during the month of 189,400 tons, and during the period since the United States entered the war of 2,894,629 tons. In that same period the output of iron and steel fell substantially. Meanwhile there has been imposed on facilities United States government orders requiring, it is estimated, 35 per cent of the capacity of the steel plants. The obvious inference, therefore, is that the demand for what may be termed "private" consumption has fallen very heavily—possibly in a quantity corresponding closely to the aggregate of the government's requirements. If it were otherwise the bookings of steel plants would almost certainly have expanded materially.

In view of the urgent need of wheat, the increase in farm reserves of that grain on March 1 compared with a year before would be gratifying were it not for the fact that stocks elsewhere show no material appreciation. "The Chronicle" estimates the total supply at about 275,000,000 bushels, approximately the same as the supply at this time last year and but little more than half the supply remaining out of 1915 production on March 1, 1916. Moreover, seeding requirements probably will be heavier this spring, while prospects for an adequate supply of harvest labor are not encouraging. On the other hand, the response to Mr. Hoover's appeals for conservation of wheat has been remarkable, having, it is estimated, resulted in a reduction of 25 per cent in domestic consumption. Another favorable feature is that the winter kill promises to be smaller this year than last, and therefore a substantial increase over the 540,000,000 bushel yield forecast last December is not improbable.

With prices of most commodities steadily mounting, it is refreshing to find one staple that is moving in the opposite direction, although with the embargo on imports it is doubtful if this movement will go much further. The commodity is silk, generally considered a luxury. Before the war broke out in 1914 raw silk imported from Japan sold around \$3 a pound. With the outbreak of hostilities silk rose spectacularly, going as high as \$7 a pound. From that level there has been a slump in recent months, and at the present time the price is around \$5. Japanese silk importers say that so far the American embargo has not affected their imports of silk.

ing week of 1917. Net demand deposits of the banks aggregate \$3,635,760,000, an increase during the week of \$59,056,000. United States government deposits at the end of the week were \$438,418,000, compared with \$438,140,000 a week ago.

The weekly statement of the Federal Reserve Bank of New York disclosed an increase of about \$18,000,000 in the total of bills discounted and bought. The gold settlement fund showed a decrease of about \$8,000,000.

The actual condition of member banks shown by the Clearing House statement yesterday follows:

Loans, discounts, investments, etc.	\$4,348,139,000
Cash in vaults of Federal Reserve members	101,018,000
Reserve in Federal Reserve Bank	515,218,000
Reserve in vaults of state banks and trust companies	16,730,000
Reserve in depositories	7,455,000
Net demand deposits	3,635,760,000
Net time deposits	200,027,000
Circulation	34,888,000
Aggregate reserve	539,403,000
Excess reserve	55,163,290

United States deposits deducted, \$438,418,000.

The changes from a week ago were:

Loans and discounts	Inc. 35,778,000
Cash in vaults of Federal Reserve members	Inc. 5,285,000
Reserve in Federal Reserve Bank	Inc. 55,409,000
Reserve in vaults of state banks and trust companies	Inc. 472,000
Reserve in depositories	Dec. 789,000
Net demand deposits	Inc. 95,056,000
Net time deposits	Inc. 5,757,000
Circulation	Inc. 151,000
Aggregate reserve	Inc. 55,082,440
Excess reserve	Inc. 42,652,440

Discount Rates.—Official rates of discount for each of the twelve Federal districts are as follows:

	Over 15 or less	Over 15 to 30	Over 30 to 60	Over 60 to 90	Over 90 to 120
Boston	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
New York	3 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Philadelphia	4	4 1/2	4 1/2	4 1/2	4 1/2
Pittsburgh	4	4 1/2	4 1/2	4 1/2	4 1/2
Richmond	4	4 1/2	4 1/2	4 1/2	4 1/2
St. Louis	4	4 1/2	4 1/2	4 1/2	4 1/2
San Francisco	4	4 1/2	4 1/2	4 1/2	4 1/2

Bank Clearings.—The day's bank clearings at New York and other cities were:

	Exchanges	Balances
New York	\$497,255,056	\$43,886,996
Boston	39,710,123	7,530,525
Chicago	75,316,024	4,936,078
Philadelphia	56,176,195	13,421,386
St. Louis	21,810,065	5,130,473

Acceptance Rates.—Current bid prices for prime acceptances are as follows:

	Thirty days	Sixty days	Ninety days
Spot delivery	4 1/2	4 1/2	4 1/2
Eligible member banks	4 1/2	4 1/2	4 1/2
Eligible non-member banks	4 3/4	4 1/2	4 1/2
Ineligible bank bills	5 1/2	5 1/2	5 1/2

For delivery within thirty days:

Eligible member banks	4 1/2
Eligible non-member banks	4 3/4
Ineligible bank bills	6 1/2

Silver.—Bars in London were quoted at 42 1/2, unchanged; New York, 85 1/2, unchanged; Mexican dollars, 48 1/2, unchanged.

Sub-Treasury.—The Sub-Treasury yesterday:

London Money Market.—LONDON, March 9.—Bar silver, 42 1/2 per ounce. Money, 2 1/2 per cent. Discount rates: Short and three months' bills, 3-16 per cent. Gold premium at Lisbon, 122.

Dollar in Foreign Exchange

Pronounced weakness in Italian exchange in the forepart of the week, followed by a sharp recovery later on, furnished the principal development in a dull foreign exchange market. The rate on Rome fell at one time to 8.97 lire to the dollar, a new low record for the war period. Subsequently there was a sharp recovery on buying by important institutions and the rate rallied to a close of 8.70 lire to the dollar for checks. A factor in the severe decline was the paying off in London by Italy of maturing loans. There was in turn sold lire exchange bills in this market. Subsequently the reported success of the new Italian loan helped sentiment and was a factor in bringing about the recovery.

According to advices from Rome subscriptions to Italy's five war loans were estimated in excess of 5,000,000,000 lire.

Other exchanges fluctuated narrowly as a rule, with the exception of Spanish pesetas, which advanced strongly, closing the week at 24.60 cents, a new high record. The peseta is normally worth 19.3 cents. International bankers continue to insist that the exchange problem between the two countries can be solved only by the United States obtaining a credit for \$100,000,000 or more in that country.

If you calculate the cost of the dollar in terms of foreign money at par value—that is, as if you were buying dollars with the supply of natural indigo, decided at the close of last week, as compared with a year ago, would be about as follows:

	Cost of one dollar	Yesterday	Year ago
In English money	1.02	1.02	1.02
In French money	1.10	1.12	1.12
In Dutch money	.92	.99	.99
In Swiss money	.86	.93	.93
In Swedish money	.84	.91	.91
In Russian money	1.76	1.85	1.85
In Italian money	3.88	1.50	1.50

Closing rates yesterday, compared with a week ago, are given in the table below. American bankers have suspended.

Current Market Review

Sent on request.

Toole, Henry & Co.

Members New York Stock Exchange

Members New York Cotton Exchange

Equitable Bldg., New York

Market Barometers

Stock Exchange Transactions			
	Railroads	Other stocks	All stocks
Yesterday	30,590	181,100	261,600
Day before	24,400	339,500	261,900
Week ago	16,600	236,700	587,300
Year ago	35,300	536,600	571,900

January 1 to date:

1918	2,798,400	24,046,100	26,844,500
1917	4,484,100	28,165,200	32,649,300
1916	4,598,600	25,355,800	29,954,400

Stock and Bond Averages

Stocks			
	Yesterday	Day before	Year ago
20 Railroads	69.60	70.20	83.95
30 Industrials	60.47	60.70	92.36
50 Stocks	76.12	76.50	89.08

Bonds			
	Yesterday	Day before	Year ago
10 Railroads	79.66	79.66	92.32
10 Industrials	90.26	90.25	95.86
5 Utilities	86.20	86.20	100.40
25 Bonds	85.21	85.19	95.36

ended all dealings in German and Austrian exchange, so that daily quotations for either marks or kronen are no longer available.

(Quoted dollars to the pound.)

	Yesterday	Week ago
Sterling, demand	\$4.75 1/4	\$4.75 1/4
Sterling, sixty days	4.72	4.72
Sterling, cables	4.75 1/2	4.75 1/2
Sterling, ninety days	4.70	4.70

(Quoted cents to the dollar.)

	Yesterday	Week ago
Francs, demand	5.72 1/2	5.72 1/2
Francs, cables	5.70 1/2	5.70 1/2
Lire, checks	8.7 1/2	8.7 1/2
Lire, cables	8.70	8.66
Swiss, checks	4.49	4.47
Swiss, cables	4.47	4.45

(Quoted cents to the unit.)

	Yesterday	Week ago
Guillemers, checks	44 1/2	44 1/2
Guillemers, cables	45	45
Rubles, cables	13.25	13.25
Stockholm, kr.	31.50	31.75
Copenhagen, kr.	29.85	30.25
Pesetas, checks	24.60	24.35

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity, as calculated by the United States Mint:

	Current exchange value	Intrinsic value
Pounds, sterling	\$4.75 1/4	\$4.86 1/4
Francs	0.17 1/4	0.19 3/4
Guillemers	0.44 1/2	0.40 1/2
Rubles	0.13 1/2	0.51 1/2
Lire, checks	0.11 1/2	0.19 3/4
Crowns (Denmark)	0.29 1/2	0.26 1/2
Crowns (Sweden)	0.31 3/4	0.26 1/2

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling at, say, \$4.75 1/4. The intrinsic parity is \$4.86 1/4 per pound. Thus you say either the pounds are at a discount or that dollars are at a premium, which is owing to the fact that in England the demand for dollars with which to settle accounts in this country is greater than the demand in that country for pounds with which to settle accounts in England.

Colorado Fuel's Payroll Larger

Wage Bill During January Shows 90 Per Cent Increase

The extent to which the employees of the Colorado Fuel and Iron Company has benefited by wage advances during the last two years was indicated by an increase of 90 per cent in the amount of the January, 1918, payroll over that for 1917, with an increase of only 15 per cent in the number of workers employed.

J. E. Welborn, president of the Colorado Fuel and Iron Company, makes this statement in his report covering operations for the six months ended December 31. The report was issued as a result of the change in the company's fiscal year to correspond with the calendar year.

Gross earnings for the half year were \$29,739,390, compared with \$40,004,886 for the fiscal year ended June 30, last. Including income from sources other than operation, the total net income was \$4,123,875. After deducting taxes, charges, including bond interest, taxes, sinking and insurance funds, amounting to \$1,445,586, there remained a surplus of \$2,678,289. Charges for equipment renewal, for depletion of coal, iron ore and limestone reserves and for depreciation on buildings, machinery and equipment amounted to \$1,031,172, leaving a balance of \$1,647,117. From this was deducted \$937,747 for preferred and common dividends, the remaining \$1,063,679 being carried to profit and loss account.

Maximum production at the company's coal properties, Mr. Welborn stated, in the report, was prevented during the last quarter of 1917 by the shortage of railroad cars.

Jewel Tea Company.—Sales for the month of February amounted to \$1,183,545, compared with \$1,208,887 for the same month in 1917. January and February combined sales were \$2,397,508, compared with \$2,370,837 for the first two months of the preceding year.

Montana Power Company.—Report for the year ended December 31, 1917, shows net earnings of \$4,889,892, an increase of \$135,750 over 1916. Gross earnings amounted to \$6,912,364, compared with \$6,244,905 for the preceding year.

General Baking Company.—Net profit for the year ended December 31 last was \$535,108, compared with \$450,781 for the previous year. Preferred dividends amounted to \$237,000.

Chicago, St. Paul, Minneapolis & Omaha.

January gross	\$1,690,007	\$1,692,438
Net after taxes	66,678	406,895
Deficit after charges	\$148,285	\$183,740

Surplus.

January gross	\$641,988	\$579,004
Net after taxes	190,007	210,652
Surplus	143,093	141,862

Chicago & Northwestern.

January gross	\$7,172,006	\$8,078,065
Net after taxes	784,884	\$2,011,882
Deficit after charges	1,975,320	\$1,102,884

Surplus.

January gross	\$1,772,006	\$8,078,065
Net after taxes	784,884	\$2,011,882
Deficit after charges	1,975,320	\$1,102,884

British Exports Less Rubber

The total shipments of crude rubber from Para and Manaus, Brazil, during the month of December, 1917, amounted to 3,129,439 pounds, compared with 9,224,671 pounds for the same month in 1916. There was a corresponding increase in exports to the United States in December, 1917, were 6,838,263 pounds, and to Europe 2,400,408 pounds.

Federal Reserve Banks

WASHINGTON, March 9.—A tendency toward loan expansion was evident in the Federal Reserve Board's weekly financial statement. Bills discounted for members and Federal Reserve banks, and bills bought in open market were \$18,000,000 each more than last week. The condition of the twelve banks at the close of business last night, compared with the preceding week, was as follows:

RESOURCES		
	March 8	March 1
Gold coin certificates in vault	\$464,144,000	\$461,615,000
Gold settlement fund (F. R. Board)	354,555,000	357,229,000
Gold with foreign agencies	52,500,000	52,500,000
Total gold held by banks	\$871,209,000	\$871,414,000
Gold with Federal Reserve agents	296,702,000	885,346,000
Gold redemption fund	20,267,000	20,269,000
Total gold reserves	\$1,178,198,000	\$1,777,329,000
Legal tender notes, silver, etc.	59,865,000	60,444,000
Total reserves	\$1,238,063,000	\$1,837,773,000
Bills discounted—members	520,340,000	502,527,000
Bills bought in open market	\$37,952,000	299,213,000
Total bills on hand	\$558,292,000	\$801,740,000
United States government long term securities	73,164,000	77,705,000
United States government short term securities	182,322,000	157,482,000
All other earning assets	4,064,000	3,680,000
Total earning assets	\$1,097,332,000	\$1,040,606,000
Due from Federal Reserve banks—net	\$1,113,000	11,882,000
Uncollected items	337,283,000	359,185,000
Total deductions from gross deposits	\$343,396,000	\$381,067,000
Five per cent redemption fund against Federal Reserve Bank notes	537,000	537,000
All other resources	761,000	795,000
Total resources	\$3,289,909,000	\$3,260,778,000

LIABILITIES		
	March 8	March 1
Capital paid in	\$73,624,000	\$73,401,000
Surplus	1,134,000	1,134,000
Government deposits	56,268,000	150,731,000
Due to member banks—Reserve account	1,465,564,000	1,388,020,000
Collection items	21,655,000	216,631,000
Other deposits, including for gov. credits	77,137,000	64,120,000
Total gross deposits	\$1,815,335,000	\$1,820,954,000
Federal Reserve notes in actual circulation	1,383,990,000	1,351,091,000
Federal Reserve Bank notes in circulation	8,600,000	7,999,000
All other liabilities	7,326,000	6,199,000
Total liabilities	\$3,289,909,000	\$3,260,778,000
Ratio of gold reserves to net deposit and Federal Reserve note liabilities combined	62.6 per cent	Week before, 63.7 per cent
Ratio of total reserves to net deposit and Federal Reserve note liabilities combined	64.7 per cent	Week before, 65.8 per cent

Federal Reserve Bank of New York

RESOURCES		
	March 8	March 1
Gold coin and gold certificates	\$432,770,000	\$507,675,000
Gold settlement fund	613,760,000	316,059,000
Gold in vaults	18,112,500	18,112,500
Gold with foreign agencies	259,225,545	259,783,945
Total gold reserve	\$638,784,365	\$604,622,430
Legal tender notes, silver certificates and subsidiary coin	39,921,183	39,909,944
Total reserve	\$678,705,549	\$644,532,375
Bills discounted and bought:		
Commercial paper	223,296,121	217,801,093
Acceptances	173,255,610	165,545,170
Totals	\$401,551,732	\$383,346,283
Investments:		
United States bonds and notes	4,010,298	9,817,298
Municipal warrants	76,711,000	82,731,000
U. S. certificates of indebtedness purchased from the banks with agreement to repurchase in fifteen days	\$126,521,298	\$92,548,298
Due from other F. R. banks (net)		
Total resources	\$1,208,778,581	\$1,160,432,947

LIABILITIES		
Capital	\$19,641,250	\$19,664,306
Member banks' deposits (net)	618,429,312	574,458,313
Non-member banks' deposits (net)	1,933,499	2,434,229
Government deposits	5,729,071	8,751,481
Due to other Federal Reserve banks (net)	36,702,601	52,363,269
Federal Reserve notes (net)	481,765,360	441,025,955
All other liabilities	72,562,336	60,714,836
Total Liabilities	\$1,206,778,551	\$1,160,432,944
Federal Reserve notes outstanding	527,365,845	503,723,944
Against which there is deposited with Federal Reserve agent:		
Gold and lawful money	249,225,545	249,783,944
Commercial paper	491,577,617	383,345,711